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SUBJECT: VIETNAM FOREIGN POLICY EXPERTS ON CHINA, THE UNITED STATES AND ASIAN REGIONAL ARCHITECTURE

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¶1. (SBU) Summary: During a frank discussion with visiting Deputy NIO Terrence Markin and Poloff, senior officials at the Ministry of Foreign Affairs' Institute for International Relations (IIR) encouraged the United States to stay closely engaged in Southeast Asia, but avoid making Southeast Asian states uncomfortable; to participate in and shape regional architecture institutions, but not insist on membership in geographically restricted forums; to address the issue of China's gains at U.S. expense, but not focus too much on China; and, to involve itself in Southeast Asia's development and evolution, but stay out of politics. The mixed messages, delivered by some of Vietnam's top thinkers on foreign policy, reflected Vietnam's ambivalence and uncertainty about the role of the United States in the region.

¶2. (SBU) Summary, cont'd: The officials grudgingly agreed that continued (and deepened) U.S. involvement in Southeast Asia is beneficial for regional stability and economic development. U.S. involvement also acts as a comforting balance to the rise of Chinese influence, which they also agreed was a cause for worry and concern for Southeast Asia in general and Vietnam in particular. The experts expressed a desire for the reform of regional architecture institutions and for ASEAN to become a stronger and more coherent institution. The IIR Deputy Director General also expressed a surprisingly positive and progressive view of the political developments in Thailand and the Philippines, in contrast to recent statements by other GVN officials (reftel) who have cited events in Bangkok and Manila as examples of dangerous instability. End Summary.

The Event  
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¶3. (SBU) Visiting Deputy National Intelligence Officer for East Asia Terrence Markin, accompanied by Poloff, spent two hours at the Vietnam Ministry of Foreign Affairs' Institute for International Relations participating in a roundtable discussion of U.S. involvement in Southeast Asia and Asian regional architecture at the IIR headquarters in Hanoi. The IIR participants (who all have advanced degrees from U.S. institutions) included Deputy Director General and Director of Research Dr. Hoang Anh Tuan, Director of the Center for Southeast Asian Studies Dr. Luan Thuy Duong, Duong's deputy Dang Cam Tu, Deputy Director of the Center for European and American Studies Ta Minh Tuan and senior researcher Pham Ngoc Uyen. All of the participants participated enthusiastically in the discussion.

The Venue: IIR

14. (SBU) The Institute is Vietnam's premier degree-granting international affairs university, diplomatic training institution, think tank, research center and publishing house all combined into a single entity. IIR researchers and officials prepare classified policy analyses and teach classes; they also attend international academic and foreign policy conferences and publish books and articles. IIR publishes a foreign affairs weekly magazine called "International Weekly." The IIR Director General is a senior diplomat; the current DG, Ambassador Trinh Quang Thanh, has just been named the next Ambassador to Sweden. IIR officials have wider latitude to express their personal opinions and diverge from the official line than their colleagues at MFA headquarters. However, they are insiders and for the most part echo official GVN policy.

The Discussion

15. (SBU) Dr. Tuan said the United States' view of Southeast Asia is distorted by its historical experience and needs to be more "objective and accurate." The United States sees Southeast Asian countries as economically backward, marginalized by China and occupied with issues of radical Islam. In fact, Southeast Asia is one of the fastest-growing regions in the world economically despite the setbacks of the 1997 financial crisis. Southeast Asia's future is promising, with long and stable (though delayed) development. There is also a solid foundation for democracy and political development, as evidenced by the exercise of "people power" in Thailand and the Philippines. Some in the region see recent events in these countries as troubling, and others see them as evidence of strong political growth

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and increasing political participation by the population, Tuan said.

16. (SBU) In response to Poloff's observation that others in the GVN have told the Embassy that events in Thailand and the Philippines are object lessons in why Vietnam should be wary of democratic political development, Dr. Tuan grimaced and commented that "there are different opinions within the Government." Vietnam's lesson from the developments in the Philippines and Thailand is that the Government needs to pay close attention to the issues and concerns that are important to the people, Dr. Tuan stated. The process of globalization and improved communications technology means that it is easy for citizens to detect inconsistency between the words and actions of their governments, and then immediately spread discontent.

China

17. (SBU) The IIR officials exhibited a common Vietnamese contradiction: chiding the United States for excessive focus on China, then virtually obsessing about China's expanding influence and potential threat. Dr. Tuan, noting the United States needs to understand the situation in Southeast Asia vis-a-vis China, said Southeast Asia is seen as a region that can be used to help contain China at a time when a rising number of Americans see China as a threat. If those trends continue, the United States may try to "get Southeast Asia on its side" against China, which would be a distortion of the actual situation. Vietnam will not join the United States in the "China containment game" and will not join China against the United States, he declared. Vietnam wants the maximum possible big-power engagement in Southeast Asia to maximize stability.

18. (SBU) The United States is losing its position and

failing to protect its interests in the region compared with China, Dr. Tuan continued. Chinese interests, meanwhile, are expanding quickly. To strengthen the U.S. position in Southeast Asia, ASEAN wants to see a stronger linkage between USG statements of policy and action; that means more economic involvement, more encouragement of market economies and more direct investment. Vietnam's WTO entry is an excellent test case: the United States should support it and not hold out and force Vietnam into a bad position. He warned that Vietnamese leaders and opinion makers compare the deal the United States struck with China on WTO with the Vietnam negotiations and see that the United States is actually being harder on Vietnam, sometimes blaming U.S. intransigence on "Vietnam Syndrome" whereby Americans cannot get over the war. The experts understand that the issues in question are actually technical and economic rather than political, but domestic political calculations and perceptions result in the United States being seen in a bad light.

¶9. (SBU) Researcher Pham Ngoc Uyen said that hosting APEC and the visit of President Bush will be very good for Vietnam and for the U.S. image in Southeast Asia. The Secretary of State's failure to attend the ASEAN Regional

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Forum ministerial in Vientiane in 2005 was "very damaging" to the United States in Southeast Asia and resulted in a brief downturn in relations. This was followed by the United States not being invited to participate in the East Asia Summit, which further fortified the notion that the United States is insufficiently involved in the area. Meanwhile, China is "harvesting a good crop" at the United States' expense in the form of economic cooperation, cultural exchanges and institution-level relations. This is not in Southeast Asia's best interests, because greater commitment of big powers in Southeast Asia should not be zero-sum, with China filling gaps the United States leaves behind; instead, both sides should contribute to regional stability by increasing their involvement in the region, Uyen said.

How to Engage with Southeast Asia

¶10. (SBU) Vietnam and Southeast Asia are fighting the side effects of globalization, Uyen continued, and in this there are high expectations of the United States. President Bush should use his visit to Vietnam to declare that the United States will increase its commitment to reducing the earning gap between rich and poor, and to eradicating poverty. He should strengthen the United States' support for ASEAN institutions, including the ASEAN Regional Forum and the

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Post Ministerial Conference. He should also extend the U.S. commitment to fighting diseases such as HIV/AIDS and AI and should lay out a plan for technology transfer, especially to poor countries.

¶11. (SBU) In addition to these positive steps, the President should also speak softly on human rights and democracy, and recognize that there are diverse cultures in the region, both in terms of society and political development, that require careful handling, the senior researcher said. Even in Burma, the United States should not pressure the government or ASEAN. ASEAN is already working on promoting positive change in Burma; referring the situation to the UN Security Council would be counterproductive and opposed by ASEAN countries. In addition, China would certainly veto any action.

¶12. (SBU) Overall, Uyen concluded, the United States has a range of interests in Southeast Asia, including meeting the challenges and opportunities provided by China; taking advantage of the benefits of greater economic ties; and,

fulfilling the United States' role as a world leader. In addition to these interests, there is also the fact that the U.S. presence in Southeast Asia deters the rise of Japanese militarism. Finally, Southeast Asia is the second front of the War on Terrorism.

¶13. (SBU) Luan Thi Duong, the Director of IIR's Center for Southeast Asian Studies, said that Vietnam sees the U.S. presence in Southeast Asia as a necessity given China's rise and the development of potential security "hotspots" in the region. In addition, she said, Southeast Asia is a region in transition, with many countries in the midst of significant political development. The United States has an interest in affecting the course of the transition and development, in particular by encouraging U.S. values. The region is "building its community" through regional architecture, and the United States should be concerned about being excluded from that. The United States' main challenge is to find a way to express and secure its interests without triggering a negative reaction from Southeast Asians. In addressing that challenge, the United States should keep in mind that in Southeast Asia, the comparison of U.S. actions with Chinese actions is inevitable.

¶14. (SBU) The United States, she said, pays too much attention to bilateral relations and alliances in the region and not enough attention to multilateral relations and the maintenance of U.S. interests. The U.S. focus on Thailand and the Philippines provokes China into trying to generate its own alliances with Burma, Cambodia and Laos, and even possibly with Vietnam. This is negative for stability and does not contribute much to China or the United States. China, she said, is better at building comprehensive relations with ASEAN as a unit and is pursuing ambitious goals like a China-ASEAN Free Trade Area and some kind of China-ASEAN security agreement, including China-ASEAN multilateral security exercises. The United States can counter this in the short term by broadening its security focus and diversifying from its concentration on counterterrorism to address all nontraditional security threats. However, in the long run, the country that focuses the most (and the most effectively) on economic development in the region will have the greatest influence.

¶15. (SBU) Duong said Vietnam hopes that U.S.-Vietnam military and defense ties will expand and will be positive. Vietnam expects an exchange of information and cooperation. This, and expanded defense and military ties elsewhere in the region, will be good for stability and U.S. interests, assuming the United States can avoid provoking a negative Chinese reaction.

More China Paranoia

¶16. (SBU) Deputy Director Tuan asked what the United States would do if China were to close off the Spratly Islands to international navigation, or to occupy them and deny other countries access to the area. In the future, it is likely that the Chinese military will be the second most powerful in the world, he said. Based on its own past experience with China, Vietnam is not optimistic for benign regional developments when China has ample power projection capability.

¶17. (SBU) Uyen said China's "urge" is to expand its

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influence. To the north, east and southwest, China's expansion is strongly constrained. The likely outlet for that expansionist urge is to the southeast, where individual states are relatively weak. The developing capability of the Chinese navy exacerbates the worries of Southeast Asian states and this is why the region welcomes the U.S. presence, Uyen said. Dr. Tuan agreed with this assessment,

and noted that China has to do a lot more to convince its neighbors of its truly peaceful and innocent intentions.

## Regional Architecture

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¶18. (SBU) According to Dr. Tuan, one current tactic for building stability in Asia is through the mechanism of a possible East Asian Community (EAC), a community that would have enormous economic potential. Southeast Asia is anxious for China's participation in making this a reality. China, however, may not be as enthusiastic. In 2004, Dr. Tuan explained, Beijing was looking for ways to dominate the region in one way or another and saw the East Asian Summit (viewed as a possible precursor to the EAC) as a tool for that. Some countries supported China's ambitions in this regard, and some opposed it by encouraging increasing involvement of other powers in the mechanism, including Australia, New Zealand and India. Furious diplomatic maneuvering in an effort to "balance" China within the ASEAN+3 and by bringing in outsiders was effective, but it also made China less interested in the EAS.

¶19. (SBU) It is clear that many countries, including the United States, do not truly appreciate the important role of an independent ASEAN in building a stable Asian community, Dr. Tuan said. To be sure, he acknowledged, ASEAN may need to make some changes or else it will have deficiencies in the future. A lack of unity is the main deficiency; a unified ASEAN would be Asia's second largest country, and that would ensure that ASEAN's voice is heard, he said wistfully.

¶20. (SBU) Dr. Tuan noted that Asian regional architecture institutions have a great deal of overlap. This overlap is inefficient, and the United States has an opportunity to reorganize or reorient Asian regional architecture institutions both to make the most of each institution and to improve the United States' role and standing in them. Regional institutions should return to their roots, Dr. Tuan said. APEC, for example, was conceived as a forum to discuss trade, market liberalization, investment and economic development. However, it evolved differently and its agenda expanded to include counterterrorism and security. This expansion makes APEC a mess, he said; it is a very large waste of money with more than 100 meetings per year. The ARF is sufficient to address security issues, and if the member states are not vigilant, the ARF could evolve into an economic forum as well. The United States is persuasive in its argument for a linkage between economic issues and security in APEC, and it should be aware that the same linkage could be invoked in the other direction to justify expanding the ARF's mandate and diluting Asian institutions even further.

¶21. (SBU) Vietnam, he continued, is experiencing serious "meeting fatigue." Principal Vice Foreign Minister Le Cong Phung "at this point does nothing at all but attend regional meetings," Dr. Tuan said; in total, Vietnam has counted over 700 ASEAN, APEC, EAS, ARF and other regional institution meetings to which it has to send representatives every year, consuming huge human and financial resources. If the United States decides to take the lead in reforming and rationalizing these institutions, it can count on strong support from Vietnam, he said.

¶22. (SBU) Dr. Tuan expanded a bit on his recommendations for a U.S. role in East Asian regional architecture. Ultimately, he said, any successful regional architecture has to be based on strong economic cooperation. An East Asia Free Trade Area (EAFTA) will have to be the prerequisite for an East Asian Community, and ASEAN+3 should be the foundation of the EAFTA. To make this happen, the states of Southeast Asia need to demonstrate more cohesiveness, a fact which is driving the 2020 ASEAN goals, particularly with regard to the ASEAN security community, the ASEAN economic community and the ASEAN cultural and social community. The United States needs to evaluate its proper role carefully; it is an



important part of the Asia-Pacific region, but it is not an East Asian power and has no more place in an East Asian organization than it does in the European Union. The United

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States is best suited to influence the region through engagement on specific issues, not through direct participation in its organizations.

¶23. (SBU) Dr. Duong noted that ASEAN is often compared to (and often compares itself to) the EU, but this is an inaccurate comparison. The EU members all focus primarily on the EU, while ASEAN members have multiple communities and institutions in which to participate. The EU has a legally binding rule structure, while East Asian institutions are based on the principles of equality and noninterference, and are all nonbinding. "We exist together in peace, stability and cooperation, without rules," Duong said. ASEAN is now working on formalizing the organization through the ASEAN Charter. There are many drafts and concepts under consideration for the ASEAN Charter, but none of them contains binding precepts. Individual countries are truly independent, consistent with the nature of the region. It is impossible to imagine any Asian community evolving into an EU-like structure, she declared.

¶24. (SBU) Uyen hedged Duong's statement a bit, saying that an EU-like arrangement for Asia would be "desirable," but not possible in the immediate future. In the medium term, he said, it could be possible, but Asia must first move beyond the existing system of top-down political states that concentrate decision-making in the leadership. Dang Cam Tu, the deputy director of the Southeast Asia Center, opined that overlapping regional architecture structures and communities in East Asia are "mutually reinforcing." Vietnam supports "open regionalism," but is sensitive to the fact that the larger the core group, the more difficult the process is. ASEAN+3 is a good basis to build on, he said, but it has some fundamental problems, namely:

- The China-Japan antagonism undermines the unity of the ASEAN+3 grouping;
- Maintaining ASEAN's key role in any regional architecture structure or process is difficult because of the lack of cohesion within ASEAN itself; and,
- China, the heavyweight in the grouping, lacks enthusiasm for Southeast Asia-centered regional groupings and especially the EAC after what it perceives as a failure in its effort to build the EAS to its specifications last year.

¶25. (SBU) With this in mind, Tu said, the United States should strive to handle its relations with Japan in a way that does not exacerbate China-Japan tensions, and support relations with ASEAN as a whole, rather than focus on bilateral relationships, in order to strengthen ASEAN cohesion. The United States should also avoid the impression the community-building process is designed to counter China.

Comment

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¶26. (SBU) Vietnam's highest priority national interests were on display at this roundtable meeting: a strong ASEAN, rapid economic development and enough U.S. presence in the region to provide some degree of security against a "rising" China that might challenge Vietnam's cherished independence. The discussion also demonstrated Vietnam's concern about U.S. intentions: the GVN wants the benefits of U.S. involvement in Southeast Asia, but does not like U.S. interference in Vietnam's political development and wants to see a firm Southeast Asia identity established that keeps the United States engaged but on the outside. We found this dialogue with some of Vietnam's foremost foreign policy experts from an influential institution within the GVN remarkable for the range of opinions expressed and the obvious intellectual freedom the participants enjoy. IIR

continues to be an excellent source of insight and a channel of communication to improve mutual understanding. End Comment.

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